

UNITED STATES OF AMERICA
Before the
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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OFFICE OF THE SECRETARY

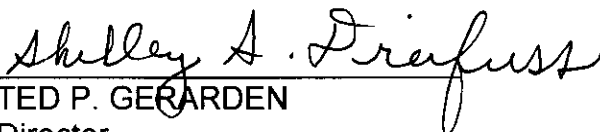
Postal Rate and Fee Changes, 2000)

Docket No. R2000-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS CARL G. DEGEN (OCA/USPS-T16-1-3)
February 9, 2000

Pursuant to sections 25 and 26 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories OCA/USPS-1-14 to the United States Postal Service, dated January 24, 2000, are hereby incorporated by reference.

Respectfully submitted,


TED P. GERARDEN
Director
Office of the Consumer Advocate

SHELLEY S. DREIFUSS
Attorney

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OCA/USPS-T16-1. On page 5, lines 1-6, you indicate that OCA witness Smith and UPS witness Neels, in Docket No. R97-1, ignored features of the Postal Service network and operations that are vital to distinguishing the cost effects of volume changes from the effects of non-volume factors.

- (a) Please specifically delineate which variables are vital to the analysis.
- (b) For each variable identified, please indicate whether such a variable was used by Dr. Bradley in his analysis in Docket No. R97-1 on the subject of mail processing variability.

OCA/USPS-T16-2. Please refer to your testimony at page 10, lines 11-13. You indicate that, "Econometric models are well-suited to measuring expected changes in cost as volume changes, but are ill-suited for predicting changes in the underlying technology." Please define what type(s) of changes in the underlying technology are being referenced, in terms of specific capital equipment, personnel, operating personnel, or other resources. Also address these two examples,

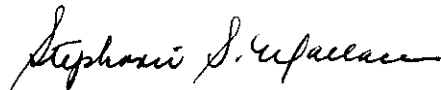
- (a) Would a decision to purchase a new type of OCR be considered technological change if the new OCR were more efficient and/or had improved capabilities? Please explain.
- (b) Would a decision to purchase a new OCR of an existing type of OCR be considered a change in technology? Please explain.

OCA/USPS-T16-3. Please refer to pages 18 through 24 of your testimony, wherein you provide a discussion of network and location-related factors that affect costs, but do not change with volume. Is it correct that the bulk of this material was not presented in

Docket No. R97-1? Please identify any of the referenced material that was previously presented in the same level of detail in Docket No. R97-1.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.

A handwritten signature in cursive script, reading "Stephanie S. Wallace".

Stephanie S. Wallace

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